ASSESSING THE ROLE OF VALUE-BASED LEADERSHIP TOWARDS CORPORATE SUSTAINABILITY WITH REFERENCE TO INSURANCE TECHNOLOGY SECTOR

Synopsis

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Submitted By

Ekta Saran

Under The Supervision of

Prof. Shalini Nigam

Professor

Department of Management

And

Co-Supervision of

Dr. Kavita Kumar

Assistant Professor

Department of Psychology

Department of Management, Faculty of Social Sciences

Dayalbagh Educational Institute (Deemed University)

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INTRODUCTION

Value-based leadership is an essential phenomenon that explains what is right and wrong but rejects the idea of who is right or wrong. For value-based leadership, it is vital to understand the true meaning of values to explain the true nature of value-based leadership.

1.1 VALUES DEFINED

Values are the guiding principles in our lives. Leaders inspire and enable others to positively impact their own lives while contributing to the greater good (Sen et al., 2013). Values could be defined as principles or standards of behaviour that help determine essential aspects of life and how a person makes the right decision by presenting alternatives that describe the idea behind his inherited personal values. Values are the fundamental beliefs that motivate and direct actions and attitudes toward everything in life and define the personal qualities one chooses to embody to guide his or her actions to decide the sort of person we want to be, how we treat others and ourselves and the interaction we have with the rest of the world. Personal values impact work performance because they reflect who we are and how we act in any setting. By emphasizing that values are "principles for judging the desirability of any feasible alternatives or outcomes," Keeney (1994) expands on the basic definition of values. That adds to our understanding of values by stating that they define everything that matters to a person in a decision setting. Values are the motive behind purposeful action. They are the ends to which we act and come in many forms. It is also imperative to note some of the features of derivative values from the literature review, That:

- Values are different for each individual and more central to a person's core.
- They can give standards of morality and competence.
- Values can differ from one culture to another, just like it differs from individual to individual.
- Values are the combination of practical ideas, behaviour, thoughts, and objectives.
- They are relatively permanent, i.e., values evolve with time.
- Values comprise judgemental fundamentals that help individuals understand desirable, correct, or sound.

Values serve as a form of personal compass for employee behaviour in the workplace because they often

influence behaviour and attitude.

1.2 VALUE-BASED LEADERSHIP DEFINED

Leadership principles are combined with the personal and organizational purpose(s). It is vital to understand how these two components of purpose interact for each individual. It ultimately comes down to hiring enthusiastic people about the organization's mission (Clarke, 2011). Richard Barrett defines Values-based Leadership, author of Building a Values-Driven Organization (2006), as "a way of making meaningful decisions that generate trust and commitment." The value-based leadership literature review falls under two major categories; literature that focuses on one's personal and core values that the individual expresses consistently, and literature that provides positive values needed for effective value-based leadership. Based on the literature review, the previous researchers defined value-based leadership as consistently leading out of individual values that are desirable and valuable to ourselves, the communities we belong to, and the organizations we work for. Because there have been a lot of transformational and charismatic leaders who lack a moral, ethical, and authentic dimension, value-based leadership theories have garnered much attention recently (George B., 2003; Avolio & Gardner, 2005; Remus et at., 2005; Brown & Trevino, 2006). It is critical to have basic moralities and underpinnings to be a value-based leader. To explain value-based Leadership, O'Tool (2008) suggested a brilliant example of a value-based leader - Mahatma Gandhi from Indian history. According to the researcher, Mahatma Gandhi's values and principles were linked to various leadership styles. Mahatma Gandhi appealed to his supporters' self-interest (transactional theory), excellent ideas (self-governance) (cognitive theory), was a moral mediator and enabler of his supporters (transformational theory) and shaped the situations in which his supporters could achieve their goal of independence (transformational theory) (servant theory) (O'Tool, 2008). Because there is a lack of a precise definition of value-based leadership, many researchers emphasize the characteristics to conclude a clear definition. "Values-based leaders win followers by allowing people to understand clearly and achieve achievement in what they hold dear," Corte, Gaudio, Sepe, and Zamparelli (2017) say in their first characteristic, which means that the mission and liability of a value-based leader are to simplify the end objectives that the followers can understand but unable to accomplish by themselves. Authenticity, integrity, and ethics, among other qualities, provide a solid foundation for leaders (Bass & Steidlmeiera, 1999; Gardner, Avolio, Luthans,

May, & Walumbwa, 2005; Brown & Trevino, 2006; O'Tool, 2008). These are considered the most highlighted features of value-based leadership.

1.3 VALUE-BASED LEADERSHIP IN BUSINESS ORGANIZATIONS

The most excellent method to develop a high-performance culture in an organization is to lead and evaluate achievement based on values. Effective, customer-centric, and employee-oriented organizations develop a clear, concise, and shared meaning of values/beliefs, priorities, and direction within their organization. Barnard (1938) rightly stated that leaders should influence an organization's values, which explains that leaders have to choose the values closest to their heart, the values that he believes in, and that define their character. Values share exact origins of what is right in social life; in effect, values are the glue that binds all the individuals working in the organization together. A foundation for an organization is formed when a group of individuals shares the same set of ideas about the goals that must be reached and methods employed to attain those goals. So, value-based leadership in organizations instils the same values in all the employees, improving their willingness to work together and cohesiveness in the organization.

Knowing that a leader or manager, Bano et al. (2020) presented a suggestive model for value-based leadership explaining the importance in organizations. The value-based leadership model presented in previous research essentially explained that opening the essential qualities and values could help the organization grow better in terms of personal and organizational values as a whole. Individual teams and the entire company will be driven to work because of the leader's moral beliefs and ethical underpinnings. Individuals will be confident personally and professionally, which will keep them devoted to their goals and the organization. Values-based leadership requires charisma. It focuses on concepts, principles, values, and morality. It is about being open and honest in your interactions when leading (Rao, 2017). It is all about adding value to organizational goals and objectives and the people contributing to those goals.

To conclude this model, it is vital to understand that the success of a business depends upon the leaders and how they manage their employees to attain the organization's vision through their abilities and competencies, which can be further modified and polished through training and development. The only gap in this model was that the researcher did not mention the prominence of values and to which degree

it impacts the enhancement process, whether for personnel or the organization. This also opens the door to more research in this area in the actual future.

1.4 CORPORATE SUSTAINABILITY AND VALUE-BASED LEADERSHIP

According to Heijden et al. (2012), "corporate sustainability" does not yet have a concrete definition. Furthermore, the terms "corporate social responsibility" (CSR) and "corporate sustainability" are sometimes used interchangeably by authors (Van Velsor, 2009; McWilliams et al., 2005; Dyllick and Hockerts, 2002). A Triple Bottom Line (TBL), which includes the environmental, economic, and social aspects, must be well harmonized to be sustainable. Because the TBL is such an essential component of sustainable development, businesses should comprehend it and incorporate it into their policies, plans, and decision-making processes (Desimone & Popoff, 1998; WBCSD, 2000). Organizational citizenship behaviour (OCB) has been related to a more ethical workplace and better firm sustainability performance (Lee and Ha-Brookshire 2017; Shin 2012). Counterproductive work behaviour (CWB), on the other hand, is purposefully damaging behaviour intended to harm an organization's legitimate interests (Gruys and Sackett 2003). This study's researcher aims to determine how and to what extent decision makers' or managers' values influence corporate sustainability.

1.5 INSURANCE TECHNLOGOGY (INSURTECH) SECTOR

Insurance, at its core, is about protecting people, property and businesses from risks. To meet this need in an evolving world requires a new standard of insurance, backed by digital technologies focused on efficiency, execution and innovation. A broad umbrella term, insurtech is the use of innovative technology to bring insurance shoppers savings and efficiency while disrupting the current model used by most carriers. Often, insurtech companies tackle complex data so that people are not rated based on the basic level of data carriers use to group people based on risk. India’s Insurance industry is one of the premium sectors experiencing upward growth. This upward growth of the insurance industry can be attributed to growing incomes and increasing awareness in the industry. India is the fifth largest life insurance market in the world's emerging insurance markets, growing at a rate of 32-34% each year. In recent years the industry has been experiencing fierce competition among its peers which has led to new and innovative products within the industry. Foreign Direct Investment (FDI) in the industry under the automatic method is allowed up to 26% and licensing of the industry is monitored by the insurance

regulator the Insurance Regulatory and Development Authority of India (IRDAI).

REVIEW OF LITERATURE

The purpose of the literature review is to gain a better understanding of fundamental principles and insights of value-based leadership and their impact on social and economic upliftment in Indian insurance technology sector. The reviewed literature comprises 28 papers, articles, and two books that focused on the meaning and understanding of leadership and styles of leadership and value-based leadership in an individual's life and the corporate world. All the papers highlighted the importance of value-based leadership in real life. The obtained data in almost all the papers were written by some domain experts who emphasized how value-based leadership is, in some ways, an emotional and psychological approach to corporate management. Spiritual, servant, honest, ethical, and transformational leadership are examples of values-based leadership built on ethical and moral underpinnings (Copeland, 2014). Some experts complied their expertise in finding valuable traits like honesty, integrity, generosity, fun, trust, excellence, forgiveness, compassion, justice, loyalty, order, accountability, etc. Several personal development organizations have developed personal values lists. These lists might be beneficial since specific value descriptors may resonate with our own experiences. We might enumerate dozens of helpful value descriptors, but most important, our "core values" that identify us are usually limited. However, one of the flaws in these researches is that it does not specify which values are ideal.

Ten papers explained corporate sustainability. Sustainability is a popular theme in society and has also entered organizations under the denomination Organizational Sustainability (OS). The Triple Bottom Line (TBL) (Elkington, 1999) is a hierarchical concept for dividing the OS into economic, environmental, and social pillars. Even with these instructions, current literature is scarce in OS management instruments, advocating the usage of skills to support this phenomenon (Munck, Munck, & Souza, 2011). The researcher also included about ten papers related to insurance technology to gain the better understanding on the new area of insurance sector. These papers included the path that the insurtech holds in future.

2.1 VALUE-BASED LEADERSHIP TRAITS FROM REVIEW OF LITERATURE

Values-based leadership aims to attract employees who share the company's vision and goals while also

enhancing morale by concentrating on essential topics to employees. When the followers know that their leader or manager has similar values or beliefs, it often encourages them to follow their directions which increases the chance of success with every goal they aim to achieve. Value-based leaders, employees, and managers possess specific characteristics and qualities to excel in their jobs. Various authors debate leadership values through past research, coaching, training, and debating.

2.1.1 Classification of literature review

I. The focus of the paper

- Value-based leadership importance and application in organizations
- Insurance technology (insurtech)
- Corporate sustainability

II. Context of paper

- Indian
- Foreign

III. Type of data for analysis

- Qualitative
- Quantitative

IV. Research Design

- Exploratory
- Descriptive
- Analytical

2.2 SUMMARY OF RESEARCH GAP

The characteristics of value-based leadership identified by previous researchers in their respected research in leadership mentioned that Value-based Leadership is a management theory where the company's proclaimed values guide both employees and the company's behaviour. Although each firm's values are distinct, they all revolve around the relationship between the company and its customers, employees, society, and the environment. However, value-based leadership has a significant impact on individual core values and organizational values, which directly or indirectly impact the upliftment of

the whole nation. Bano et al. (2019) suggested that their current value-based leadership research should maintain this critical pursuit to describe, clarify, simplify, authenticate, and expand the construct and function of value-based leadership, which further validates value-based leadership traits. There are a few gaps that the researcher has identified in prior studies:

1. **Validation of Value-based Leadership Traits in Corporate Sustainability Analysis in Insurance Technology Sector –** There is a growing focus on corporate sustainability in many businesses. However, there is little research on how employee behaviour affects company sustainability performance. Based on the stakeholder thesis, employees are viewed as internal actors who make their firms' decisions (Lee, 2020). In previous research studies, the traits which were the outcomes of the research studies have not been validated by the modern-day business leaders or managers of the insurance technology sector. For better accuracy and validity of the results obtained by the study, the research plans to get the results validated by the business leaders. Since there were a few papers regarding the value-based leadership modelling that in insurance technology sector, the research found this particular sector to be explored more in terms of value-based leadership. This will also include the confirmation of the most prominent values and directly impact organizational transformation and corporate sustainability.

OVERVIEW OF PROPOSED RESEARCH

3.1 NEED OF THE STUDY

In today's fragmented and turbulent world, there is a crucial need for leaders in different domains of society who possess moral ethics and values. Value-based leadership can assist businesses in surviving in the face of adversity (Jun et al., 2005). Such leaders can majorly impact and bring a positive change in people's lives in the world. As we know that disruptions are going on in the world, and drastic changes are happening in social, economic, political, technological, ethical, and other fields, hence in such a dynamically changing world, peace can only be established if moral ethics and values such as stated by the founder of Dayalbagh Revered Sir Anand Swarup (1915), "Fatherhood of God and Brotherhood of Man" is inculcated among individuals. Since Insurance reach is still low in India. Overall insurance penetration (premiums as % of GDP) was 4.2% in FY21, providing a huge underserved market there are a very few researcher papers available to talk about the value-based leadership and how to attain the

corporate sustainability through the value-based leadership traits.

3.2 OBJECTIVES

The proposed research is aimed at accomplishing the following objectives:

Objective 1: To validate the role and contribution of the identified traits in organizational transformation in the insurance technology sector.

Objective 2: To identify a link between the corporate sustainability and organizational reform.

Objective 3: To analyse the impact of value-based leadership on corporate sustainability in the insurance technology sector.

Objective 4: To recommend a suitable corporate value-based leadership model for future budding leaders of business organizations.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

As O'Toole (2008) notes, the values defining the leader are the values that the leader holds dear. The author distinguished value-based leaders from other types of leadership by citing various examples of both historical and present-day leaders in his research article. Leaders such as Jamshed Ji Tata formed a trading enterprise in 1868, and today, the Tata Trusts support education, health, culture, and livelihood programs. Through the Tata Trusts, Ratan Tata has launched a Mission Garima project, which will attempt to offer sanitation workers safe, sanitary, and humane working conditions to keep Mumbai clean. This demonstrates that the leader's ideals motivate him or her to use his or her organizational initiatives to work for society and the environment intentionally.

Value-based leadership attributes (Independent Variables) – Making decisions is an integral part of management, and these decisions frequently include ethical considerations. Positive values-based leadership is about more than just maximizing talents and creating purpose. Leaders with solid values engage their people and help them succeed in life. Additionally, they increase productivity, innovation, and financial returns for their companies (žydžiūnaitė, 2018). Because everyone's beliefs are different and people judge based on their underlying principles, this study's value-based leadership attributes are the independent variables.

Organizational Transformation (Mediating Variables) – Organizational transformation is the shift of an organization from one state of affairs to another. Frequently, a change in the environment

necessitates a change in the organization that operates in that setting. A change in a company's structure, strategy, rules, processes, technology, or culture could be involved (Carpenter, Bauer and Erdogan, 2005). The eight steps in the change process are to create a sense of urgency, form powerful guiding coalitions, develop a vision and strategy, communicate the vision, remove obstacles and empower employees to take action, create short-term wins, consolidate gains, and strengthen change by anchoring change in the culture (Kotter, 1996).

Corporate Sustainability (Dependent Variables) – Corporate sustainability increasingly influences how business leaders view changes in their firms and interact with society. The road to sustainability should be viewed as a program of organizational transformation that examines both the how and why (Appelbaum, et al., 2016). The intersection of corporate ethical ideals and leader-member interchange and how employees' positive and destructive behaviours might impact these connections can help companies achieve sustainable performance (Lee, 2020).

The conceptual framework of this study emphasizes the necessity of imbibing the validated value-based leadership attributes identified through machine learning algorithms which will help leaders transform their organizations and their resources and channelize them towards sustainability through conscious decision making and methods.

HYPOTHESES

H1: Value-based leadership traits help in organizational transformation.

H2: There is a link between organizational reform and corporate sustainability.

H3: Value-based leadership traits impact corporate sustainability in the insurance technology sector.

RESEARCH METHODOLOGY

5.1 SCOPE OF THE STUDY

The participants in the proposed study will be leaders, senior managers and executives in Insurance Technology Sector. The scope will include the NCR region.

5.2 NATURE OF STUDY

The study will be descriptive types of research to explain data classification, measurement, and comparison of value-based leadership traits identified through statistical data analysis.

5.3 SAMPLE SIZE

The sample would consist of 10 senior leaders (senior managers and above) in Delhi – NCR region with the insurance technology companies that has the existence for >= 10 years in the insurance technology sector.

5.4 SAMPLING TECHNIQUE

Purposive sampling would be used to collect the data in this research study.

5.5 DATA COLLECTION

- **Primary Data:** The data will be collected through opinionnaire, and in-depth interviews, from the senior managers and executives from the organizations come fall under the insurance technology sector.
- **Secondary Data:** The secondary data will be collected from reliable secondary sources such as annual reports, company's websites, articles, business magazines etc. to identify the problems faced by leaders of insurance technology and to know the scope for value-based leadership and corporate sustainability.

5.6 STATISTICAL TOOLS FOR DATA ANALYSIS (PROPOSED)

- **Case study method** –

  For the present research the case study method will be used to understand how leader's value-based traits affect the sustainability overall through in-depth interviews and opinionnaire.

- **Relevant Inferential Statistical Tools –**

  Relevant Statistical tools like AHP modelling, Correlation, t-test, etc. would be used if the study requires such methods in future data analysis.

  The above-mentioned tool can be changed or extra tools can be used according to the collected data and as per the requirement of the study.

PROPOSED CHAPTERIZATION

The proposed research will contain the following chapters:

- Chapter 1: Introduction
- Chapter 2: Review of Literature
- Chapter 3: Research Methodology
- Chapter 4: Data Analysis and Findings

- Chapter 5: Conclusion, Managerial Implications, Scope for Future Research and Limitations
- References
- Appendix

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